

MEMORANDUM

DECEMBER 6, 1984

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: STEPHEN COYLE, DIRECTOR

SUBJECT: COLUMBIA POINT COOPERATION AGREEMENT

During recent months the Authority staff has been working closely with many parties, including the Boston Housing Authority, the U.S. Department of Housing and Urban Development, the Massachusetts Housing Finance Agency, other public agencies, and the redeveloper tentatively designated by the Authority, towards one of the most critical milestones in the redevelopment of Columbia Point, which is the award of an Urban Development Action Grant of up to Fifteen million dollars in January, 1985. Substantial progress has been made due to the high level of support and cooperation being contributed by all the parties involved. In particular, the Massachusetts Housing Finance Agency has made a mortgage commitment of \$95.8 million and the Boston Housing Authority and the local office of H.U.D. have been working extremely hard on securing the various final governmental actions which must be obtained before the UDAG award can be made.

One of the critical governmental actions which must be secured by January is H.U.D. approval of the Boston Housing Authority's application to demolish buildings at Columbia Point and lease the property to the developer. Under Massachusetts General Laws, Chapter 121B, §26(k), the Boston Housing Authority is required to enter into a Cooperation Agreement with the Massachusetts Executive Office of Communities and Development, the Massachusetts Housing Finance Agency, and the Columbia Point Community Task Force, Inc. as part of the proposed disposition of the property. The Boston Redevelopment Authority has been added as signatory to this Agreement because of its extensive involvement in this redevelopment effort.

The Cooperation Agreement, attached, simply describes the redevelopment process to date, some of the redevelopment program requirements, some of the expected future actions, and is essentially a technical step in the Boston Housing Authority's disposition process. It will, however, make the Boston Housing Authority eligible for certain state funds which it may need in order to put the Section 8 subsidy in place at Columbia Point.

I recommend, therefore, that the Board authorize the Director to enter into this Agreement on behalf of the Authority in order to conclude the final steps necessary for the City to secure the UDAG funds for which it has applied.

VOTED: That the Director is authorized to enter into a Cooperation Agreement By and Between Executive Office of Communities and Development, Massachusetts Housing Finance Agency, Boston Housing Authority, Boston Redevelopment Authority and the Columbia Point Community Task Force, Inc., Concerning the Redevelopment of "Columbia Point" Development, substantially in form attached, in order to further the redevelopment of Columbia Point.

COOPERATION AGREEMENT BY AND BETWEEN EXECUTIVE OFFICE OF
COMMUNITIES AND DEVELOPMENT, MASSACHUSETTS HOUSING FINANCE
AGENCY, BOSTON HOUSING AUTHORITY, BOSTON REDEVELOPMENT
AUTHORITY AND THE COLUMBIA POINT COMMUNITY TASK FORCE, INC.,
CONCERNING THE REDEVELOPMENT OF "COLUMBIA POINT" DEVELOPMENT

This COOPERATION AGREEMENT is entered into as of this

day of November, 1984 by and between The Commonwealth
of Massachusetts, acting through its Executive Office of
Communities and Development ("EOCD"), Massachusetts Housing
Finance Agency ("MHFA"), the Boston Housing Authority ("BHA"),
the Boston Redevelopment Authority ("BRA") and the Columbia
Point Community Task Force, Inc. ("CPCTF"), as contemplated by
M.G.L. c.121B, §26(k).

WHEREAS, parties named herein desire to undertake the
redevelopment of Columbia Point Development into a
mixed-income, privately owned community, with at least 400
units reserved for low-income households; and

WHEREAS, as part of such redevelopment effort the BHA
intends to dispose of the Columbia Point Development site to
private developers pursuant to M.G.L. c. 121B, §26(k); and

NOW, THEREFORE, in consideration of the redevelopment
program described herein and the agreements contained herein,
the parties agree as follows:

Section 1. INTRODUCTION

- (a) The Columbia Point Development is a public housing
project assisted by the Federal Government pursuant

to 42 USC 1437 et. seq. Columbia Point Development originally contained 1504 units, but occupancy and development conditions have deteriorated steadily since the 1960s. There presently remain on the site only approximately 400 households (including doubled-up households), living in substandard and hazardous conditions.

- (b) Since the 1960s various proposals have been advanced for the redevelopment of the Columbia Point Development. By the late 1970s a consensus was developing that the rehabilitation of Columbia Point as a 1504-unit public housing development could not be sustained. A consensus also was developing that the physical isolation of Columbia Point as a residential community had been detrimental to its ability to attract services, the ability of its residents to obtain employment and services and thus its viability as a public housing development, that Columbia Point's attractive location and site should be able to attract a mixed-income community and thus, that the public housing development should be replaced with a mixed-income residential development.
- (c) On February 4, 1980, the Superior Court of the Commonwealth placed the BHA into Receivership. After review, the BHA Receiver endorsed the concept of a mixed-income community at Columbia Point, as long as

the redevelopment effort includes Federal Urban Development Action Grant, Federal Urban Initiatives,

approximately the remaining number of low-income households (400 households) would be guaranteed occupancy if they continued to meet lease requirements. In April 1981 a Resident Rehousing Agreement containing this guarantee was signed by BHA, BRA and CPCTF, and the concept of this Agreement was endorsed by HUD in September 1982. In September 1982 a Developer's Packet was issued which stated that the site would be disposed to a private developer for a 1200 to 1600 unit mixed-income residential community, including 400 low-income units. In February 1983, three private development teams submitted proposals for such a redevelopment effort. In October 1983, a combination of two of these teams was tentatively designated as developer for the Columbia Point redevelopment.

- (d) Under the present redevelopment plan, the public housing development will be replaced with approximately a 1400-unit mixed-income residential community. Approximately 18 of the 27 buildings will be demolished and replaced by new construction, with the rest rehabilitated. The 400 low-income units are expected to be funded with Section 8 new construction/substantial rehabilitation subsidies and state long-term Chapter 707 rental assistance subsidies. Additional subsidy funding being sought the redevelopment effort includes federal Urban Development Action Grant, federal Urban Initiatives,

and state rental project (SHARP) funding.

Disposition of the entire site is proposed, on a phased basis, over approximately three years.

- (e) The provisions of Chapter 121B, §26(k) provide the necessary authority and supplemental funding so that the parties should be able to undertake this redevelopment effort successfully. The purpose of this Agreement is to establish a process for cooperation among EOCD, MHFA, BHA, BRA and CPCPTF to undertake the redevelopment of the Columbia Point site pursuant to Chapter 121B, §26(k).

Section 2. RESPONSIBILITIES OF THE PARTIES

- (a) The BHA shall provide EOCD and the Department of Public Health ("DPH") or the Department of Public Safety ("DPS") any studies, data, or information necessary to make the determination, as applicable to the Columbia Point redevelopment program, required by Chapter 121B, §26(k)(1).
- (b) The BHA, BRA and CPCTF prepared a Developer's Packet which was reviewed with EOCD and MHFA and agreed to by HUD. MHFA directed attention particularly to those portions of the Developer's Packet relevant to eventual MHFA financing.
- (c) The BHA, BRA and CPCTF advertised the Developer's

Packet nationally and distributed it. Developer submissions were reviewed by BHA, BRA, CPCTF and MHFA in general accordance with the guidelines laid out in the Developer's Packet. The submissions also were discussed and reviewed with EOCD and HUD. The developer then was selected by the BHA, BRA and CPCTF, with the participation and approval of HUD, and EOCD and MHFA approved the selection of the developer. The developer has submitted an application to MHFA for a loan commitment under the HUD Section 221(d)(4) coinsurance program and MHFA has issued the necessary loan commitment.

- (d) Subsequent to MHFA's commitment, the developer and the parties to this Agreement shall complete all efforts necessary to secure remaining essential subsidies. It is expected that such efforts will take approximately 2 1/2 months. Thereafter, the developer and the parties to this Agreement shall take all actions necessary to finalize financial terms and otherwise allow construction to begin.
- (e) The BHA, in consultation with the developer and CPCTF, shall prepare a relocation plan for the site for submission to EOCD for its review and approval pursuant to C. 121B, §26(k)(2).
- (f) The provisions of c. 121B, §26(k)(3) are designed to assure that the public receives the fair market value for the proposed reuse of the asset being disposed

of. The conclusion of all the parties to this Agreement, based upon the results of national developer competition which indicated clearly the need for long-term deep subsidies to accomplish the proposed reuse and an independent marketing study which reached the same conclusion, is that the present fair market value is zero. The phased conveyances of the site, therefore, will be made to the developer at no initial cost. This determination shall not preclude further negotiations regarding sharing by the public in any resources related to the development which may become or be determined to be available in the future, including without limitation, syndication proceeds, operating cash flow or proceeds from refinancing or sale.

- (g) All significant decisions or staff disagreements under this Cooperation Agreement shall be referred to the Secretary of EOCD, the Executive Director of MHFA, the Director of the BRA and the Administrator of the BHA (and when appropriate, the Superior Court) for resolution, after consultation with CPCTF, in accordance with the terms of this Cooperation Agreement.

This Agreement is executed under seal as of the date first set forth above.

Commonwealth of Massachusetts,
acting through its Executive
Office of Communities and
Development

Massachusetts Housing Finance
Agency

Boston Housing Authority

Boston Redevelopment Authority

Columbia Point Community Task
Force, Inc.

